

USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Scheduled Report - Public distribution

Date: 8/9/2007

GAIN Report Number: BR7010

Brazil FAIRS Country Report Annual 2007

Approved by:

Morgan Perkins, ATO Director U.S. Agricultural Trade Office

Prepared by:

Fabiana Fonseca, Agricultural Marketing Specialist

Report Highlights:

Section I, IV and VII updated. This report outlines regulatory requirements for agricultural imports into Brazil, including import procedures. Compared to the previous report released in 2006, no significant modifications have been made except for an update of the underlying legal framework supporting government actions.

Includes PSD Changes: No Includes Trade Matrix: No Annual Report Sao Paulo ATO [BR3]

Table of Contents

SECTION I. FOOD LAWS	3
Legal Framework	3
Ministry of Agriculture, Livestock and Food Supply (MAPA)	
Ministry of Health (MS)	
Ministry of Environment (MMA)	
Ministry of Development, Industry and Foreign Trade (MDIC)	
Ministry of Justice (MJ)	
SECTION II. LABELING REQUIREMENTS	11
SECTION III. PACKAGING AND CONTAINER REQUIREMENTS	12
SECTION IV. FOOD ADDITIVE REGULATIONS	12
SECTION V. PESTICIDES AND OTHER CONTAMINANTS	12
SECTION VI. OTHER REGULATIONS AND REQUIREMENTS	13
Inspection Requirements for Meat, Dairy, and Seafood Products	13
Inspection Requirements for Plant Products	14
Pest Risk Assessments	14
Inspection Requirements for Animal Genetics	14
Inspection Requirements for Animal Feed	15
Veterinary Biologics	
Alcoholic and Other Beverages	15
SECTION VII. OTHER SPECIFIC STANDARDS	
Supplemental, Dietary, and Functional Foods	15
Organic Foods	
SECTION VIII. COPYRIGHT AND/OR TRADEMARK LAWS	
SECTION IX. IMPORT PROCEDURES	
Registration	
Classification	
Administrative Process	
Shipping	
Payment	
Clearance	
APPENDIX I. GOVERNMENT REGULATORY AGENCY CONTACTS	
ADDENIDIA II OTHED IMPODI SDECIALIST CONTACTS	10

DISCLAMER: This report was prepared by the U.S. Agricultural Trade Office of the USDA/Foreign Agricultural Service in Sao Paulo, Brazil for U.S. exporters of domestic food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of important requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORT COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

SECTION I. FOOD LAWS

Brazil is a member of the World Trade Organization (WTO) and therefore has made commitments to subscribe to the Sanitary and Phytosanitary (SPS) Agreement and to Codex Alimentarius (CODEX) principles. Food regulations issued at the federal level are contained in various types of legal documents and, in order to be implemented must be published in Brazil's Diario Oficial (similar to the U.S. Federal Register).

Brazil has three levels of government: federal, state and municipal. Legally, federal regulations must be followed when there are conflicts between federal, state and municipal legislation, or between regulations established by different Ministries at the federal level. State and municipal governments also have the authority to regulate and enforce state and municipal laws.

In the federal government, numerous agencies under several Ministries share jurisdiction for ensuring the safety of the Brazilian food supply and regulating imports of agricultural commodities and foods. The Ministry of Agriculture, Livestock, and Food Supply (MAPA) oversees and enforces a large portion of regulations pertaining to production, marketing, import and export of animal origin products, fresh fruit and vegetables, alcoholic beverages, juices, grains, seeds, and animal feed (including pet food). The Ministry of Health (MS) enforces most of the regulations regarding processed food products.

Other Ministries and/or agencies also involved in monitoring/control of food safety include the Environment Protection Institute (IBAMA), of the Ministry of the Environment; the National Institute of Metrology, Standardization and Industrial Quality (INMETRO) of the Ministry of Development, Industry and Commerce (MDIC); the National Technical Commission on Biosafety (CNTBio), which is an inter-Ministerial Commission based in the Ministry of Science and Technology (MCT); and the Department of Consumer Protection and Defense (DPDC) within the Ministry of Justice

Legal Framework

Regulations covering imports into Brazil consists of a wide variety of legislative and administrative acts, many of which are cited below. The following chart will help in understanding the origin (legislative or administrative) of those regulations, and in understanding which take precedence over others.

Constitution

The fundamental organic law, written, that structures and organizes the State, establishing the limits and attributions of the various departments that comprise the Public Power and the exercise of the political and civil rights.

↓ Constitutional Amendment

Revision in the Constitution, carried out as established by the political Charter itself.

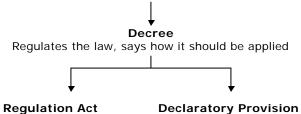
↓ ♥ Ordinary Law - Law

Ordinary Law: Act that emanates from Congress, the federal Legislative Power;

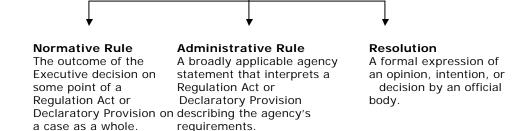
Law: mandatory norm, general, abstract and in force, emanated from the competent power (e.g. a state), which all are required to obey, under penalty or sanction; the solemn expression of the will of the State's supreme power.

♦ Provisional Executive Act

Act with the force of law-is not voted on-but is issued by the President of the Republic, to dispose of matters of relevant and urgent nature, to be submitted to the National Congress for conversion into law.



In theory, it explains operational procedures. Sometimes it modifies parts of a Decree; in this case it is possible to question the legality of the Regulation Act and/or the Declaratory Provision.



Please note that Brazilian legislation may be found on the internet. The following terms were translated above: Law (Lei), Constitutional Ammendment (Emenda Constitucional), Provisional Executive Act (Medida Provisoria), Decree (Decreto), Regulation Act (Instrucao Normativa), Declaratory Provision (Ato Declaratorio), Normative Rule (Parecer Normativo), Administrative Rule (Portaria) and Resolution (Resolucao).

Ministry of Agriculture, Livestock and Food Supply (MAPA)

Decree of 5351, dated January 21, 2005 changed the structure of the Brazilian Ministry of Agriculture, Livestock, and Food Supply (MAPA). The Ministry is now composed of five major offices, called Secretariats: the Secretariat of Agricultural Policy (SPA), the Secretariat of Rural Development and Cooperatives (SARC), the Secretariat of Production and Agro Energy (SPA), the Secretariat of Agricultural Protection (SDA), and the Secretariat of International Agribusiness Relations (SRI). MAPA's regulatory activities of interest for this report are primarily enforced by SDA and SRI.

Secretariat of Agricultural Protection (SDA)

Responsible for enforcing regulations governing domestic and imported plants and animals, and their respective products and by-products, and other products and inputs, such as feed, fertilizers, pesticides, and veterinary products. SDA is composed of six main departments and one major office that oversees inspection at airports and ports, called General Coordination for International Sanitary Inspection of Agriculture and Livestock (CGVIG).

Department of Animal Origin Products Inspection Service (DIPOA) DIPOA is responsible for ensuring that all products of "animal origin" (meat derived from cattle, sheep, swine, goats, horses, game meat, poultry, dairy products, eggs, and seafood) moving in interstate and foreign commerce are safe, wholesome for consumption, and accurately labeled. DIPOA's regulatory responsibilities might be exercised in the U.S. by:

- USDA's Food Safety Inspection Service (FSIS)
- USDA's Agricultural Marketing Service (AMS)
- US Department of Health and Human Services' (HHS)
- Food and Drug Administration (FDA)
- US Department of Commerce's (USDOC)
- National Oceanic and Atmospheric Administration (NOAA)
- National Marine Fisheries Services (NOAA/NMFS) for seafood products.

Department of Plant Origin Products Inspection Service (DIPOV) DIPOV has the regulatory authority to enforce federal laws regarding the registration, compliance and labeling of beverages (including distilled spirits, wine, soft drinks, and juices). In this respect, its regulatory responsibilities might be exercised in the U.S. by:

 Department of Treasury's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)

Note: DIPOV provides a broader spectrum of services than ATF, including laboratory tests. To clear customs, these products are subject to inspection by DIPOV, which will hold samples for chemical analysis

Department of Animal Health (DSA)

DSA is responsible for enforcing regulations governing the import and the export of live animals, semen and embryos. In cooperation with State governments, DSA enforces federal laws and regulations to protect and improve animal health, and to control and eradicate animal diseases (such as the Foot-and-Mouth Disease Eradication Program). It defends Brazilian borders against foreign and exotic animal diseases. In this respect, DSA's regulatory responsibilities might be exercised in the U.S. by:

Animal and Plant Health Inspection Service's (APHIS)
 Veterinary Services (VS)

Note: To export live animals, semen and embryos to Brazil, exporters of U.S. genetics must meet the animal health requirements issued by DSA, which can be seen on APHIS/VS's home page http://www.aphis.usda.gov/. Several of these requirements were updated recently to include restrictions on imports of animal genetics and animal by-products in view of the BSE cases in the U.S.

Department of Plant Health (DSV)

DSV is responsible for protecting the health of plants, and preventing the introduction and spread of foreign pests within Brazil. DSV's regulatory responsibilities might be exercised in the U.S. by:

APHIS's Plant Protection and Quarantine (PPQ)

Note: All unprocessed products of plant origin (bulk grains, fresh fruits and vegetables, nuts, and seeds) can only be exported to Brazil if accompanied by an APHIS/PPQ phytosanitary certificate. US exporters should always check with the nearest PPQ office or the APHIS /PPQ home page http://www.aphis.usda.gov/ to see the latest import requirements from Brazil for unprocessed plant products, because Brazil's regulations in this area are changing frequently due to the gradual harmonization of plant health regulations within MERCOSUL.

Department of Surveillance of Agricultural Inputs (DFIA)

DFIA is responsible for the regulatory inspection and registration of all planting seeds and seedlings (including biotech seeds), as well as for establishing standards for agricultural products such as grains, fruits and vegetables. Its regulatory responsibilities might be exercised in the U.S. by:

- APHIS/PPQ
- AMS
- Grain Inspection, Packers, and Stockyards Administration (GIPSA)

Note: DFIA also has the authority to enforce federal laws regarding the registration, compliance and labeling of fertilizers and pesticides, similar to those functions of the EPA in the U.S.

Department of Surveillance of Livestock Inputs (DFIP)

DFIP is responsible for the regulatory inspection of feed for animal consumption (including pet food), the registration of establishments producing animal semen and embryos, and the genealogical registration of live animals. DFIP also regulates the use of veterinary products. Its regulatory responsibilities might be exercised in the U.S. by:

- APHIS/VS
- GIPSA
- Food and Drug Administration (FDA)

Note: U.S. companies exporting feed and fodder, pet food, live animals, semen and embryos must obtain an import permit from DFIP. Brazilian importers of live animals must obtain a permit for import that meets the Brazilian genetic requirements for a specific breed. Brazilian importers of pet food must register the imported products with DFIP before applying for an import permit. In all cases, the Brazilian importer must be registered with MAPA.

The major laws and regulations that provide SDA and its departments with regulatory authority for domestic and imported products of animal and plant origin include: Decree n° 30691 of March 29, 1952; Administrative Rule n° 45 of March 22, 2007; Regulation Act n° 183 of October 9, 1998; Resolution n°1 of January 21, 1999; Regulation Act n° 46 of February 10, 1998; Decree n° 24548 of July 3, 1934; Decree n° 64499 of May 14, 1969; Administrative Rule n° 239 of December 30, 1998; Decree n° 24114 of April 12, 1934; Administrative Rule n° 641 and n° 642 of October 3, 1995; Regulation Act n° 21 and n° 28 of July 31, 2006; Regulation Act n° 4 of January 4, 2001; Regulation Act n° 3 of April 3, 2007; Administrative Rule n° 158 of April 16, 1997; Regulation Act n° 67 of December 19, 2002 and Decree n° 5351 of January 1, 2005.

Secretariat of International Agribusiness Relations (SRI)

As a new office within MAPA, SRI is responsible for coordinating Brazilian government agricultural positions in international forums, such as the World Trade Organization (WTO), Office of International Epizootics (OIE), International Plant Protection Committee (IPPC), and Codex Alimentarius (CODEX). SRI also coordinates all regional and bilateral agricultural agreements and coordinates with other Ministries for the promotion of agricultural and food products. SRI is also the new focal point for negotiations between the United States and Brazil in the area of agriculture under the Consultative Committee on Agriculture (CCA). SRI is composed by three main departments, two of which impact U.S. exports.

Department of Commercial Affairs (DAC)

DAC is responsible for bilateral, multilateral or regional negotiations involving agriculture and livestock.

Department of Sanitary and Phitosanitary Affairs (DASF)

DASF supports all government commitments on international negotiations regarding sanitary and phytosanitary issues.

Ministry of Health (MS)

The Ministry of Health's (MS) regulatory activities are enforced by an agency called the National Agency of Sanitary Surveillance (ANVISA). ANVISA is a semi-autonomous agency within the Ministry of Health. ANVISA was officially created by Law n° 9782 on January 26, 1999, and implemented by Decree n° 3029 of April 19, 1999, as the scientific regulatory agency responsible for the safety of all foods under its authority (mainly processed products). The agency is also responsible for overseeing the production and registration of drugs, food additives, medical devices, and tobacco and tobacco products. Furthermore, ANVISA coordinates the System of Administrative, Technical and Sanitary Management at Ports, Airports, and Borders (SISPAF) at the national level.

The primary function of ANVISA is to protect the public (i.e., human health) by assessing food standards, safety, and contaminants. In addition, the agency is responsible for the registration of any food processing facility established in, or exporting to, Brazil. Prior to launching any new product, the company must apply for a registration number, which must be placed on the label of the product. For food products the registration number is valid for 5 years, while the registration of foreign or domestic food producers must be renewed on a yearly basis. According to Law n° 9782 (cited above), all foreign food goods must follow the same registration procedures as those required for locally manufactured food items.

On March 16, 2000, ANVISA published Resolutions n° 22 and n° 23 in the Diario Oficial (Brazil's Federal Register), establishing the procedures for registration and exemption of registration for imported food products that fall under the regulatory authority of the Ministry of Health. These Resolutions were updated by Resolution n° 278 of September 22, 2005. The objectives of these 3 Resolutions are to provide guidance to food importers and to improve ANVISA's efficiency in coordinating public health actions on imported food products. Under the Resolution n° 278 of September 22, 2005, the products listed under ANNEX I (see below) are those food products which are exempt from product registration, while ANNEX II lists those products which have a mandatory registration requirement with ANVISA.

The request for registration, or exemption of registration, must be made by the legal representative of the exporting company, a local subsidiary, or by the food importer. If there is more than one importer for the same product, each importer must make a separate request. All imported products, additives and packaging must be in accordance with Decree-Law 986, of October 21, 1969 and respective regulations.

Importers of food products that are exempt from registration are still required to complete a form (ANNEX III) requesting that the product be exempt from registration. These forms must be delivered to the local office of the Ministry of Health in the state where the importer is legally based. Importers of food products under ANNEX II must register their products and pay fees, which vary according to the size of the company. The following fee structure is currently in force:

DESCRIPTION	FEE BY COMPA	ANY SIZE*			
	Group I**	Group II**	Group III**	Group IV**	Group V**
	Large	Large	Medium	Medium	Small
Company Registration (Authorization to Sell)	R\$6,000	R\$5,100	R\$4,200	R\$2,400	R\$600
Product Registration	R\$6,000	R\$5,100	R\$4,200	R\$2,400	R\$600

Note:

ANNEX I of RDC/ANVISA n° 278/05 : Imported food products and packages $\underline{\text{exempt}}$ from registration

CODE	PRODUCT DESCRIPTION
4100115	Sugar and sweeteners
4100191	Flavoring additives
4200039	Foods with added essential nutrients
4200038	Foods and beverages with complementary nutritional information
4300167	Confectionery products
4100018	Coffee, barley, tea, erva-mate and instant products
4100166	Chocolates and cocoa products
4200071	Packaging
4300194	Enzyme and enzyme preparations
4100042	Seasonings, condiments and sauces
4200012	Frozen products and preparations for frozen products
4200123	Ice
4200098	Mixes for food preparation and ready for consumption products
4100158	Vegetable oils, fats and vegetable cream
4300151	Cereals and derivatives
4300196	Products containing protein of vegetable origin
4100077	Vegetable products (excl. cabbage), fruit products and mushrooms
1100077	regerable products (exem eablage), it air products and indefined in

^{*}Fees are charged in local currency: the "Real" (R\$). Average exchange rate in June 2007 US\$ 1.00=R\$1.92 **For the purposes of this regulation, the size of the company is defined as follows: Group I (Annual Income above R\$50 million); Group II (Annual Income between R\$20 million and R\$50 million); Group III (Annual income between R\$6 million and R\$20 million); Group IV (Annual income between R\$2 million and R\$6 million), and Group V (Annual Income below R\$2 million). These criteria are based on Resolution n° 222 of December 28, 2006. Brazil also defines some companies as "micro" companies, with annual income below R\$434,000. In this case, companies are exempt from the above fees.

ANNEX II to RDC/ANVISA of 278/05: Imported food products and packages with mandatory registration

CODE	PRODUCT DESCRIPTION
4200047	Additives
4100114	Dietetic sweeteners
4300164	Waters containing salt
4200020	Mineral water and natural water
4300032	Functional foods or health restrictions
4300033	Infant food
4300083	Food for weight control
4300078	Food with dietary restrictions of nutrients
4300086	Foods for diets with controlled sweeteners
4200081	Foods for special diets
4300088	Foods for pregnant and lactating women
4300087	Foods for elderly people
4300085	Foods for sport participants
4200055	Technology coadjutants
4300031	Packaging from new technologies (recycled)
4300030	New foods and/or new food ingredients
4100204	Salt
4200101	Other salts
4300090	Bioactive substances and probiotic isolates claiming functional
	and/or healthy attributes
4300041	Vitamin and/or mineral supplements
4000009	Canned vegetable (cabbage)

Note: The codes used before each product in the ANNEXES above are control codes used by the Ministry of Health and should not be confused with the codes of the Harmonized Tariff System (HS).

ANNEX III to RDC/ANVISA nº 278/05: Form

Field A	To be filled in by the Sanitary Authority
Field B	Name of the Importer, Legal Representative of the Exporter or
	Subsidiary. Full address, Phone, Fax, E-mail, and Corporate Tax Number.
Field C	Information regarding the warehousing unit.
Field D	Terms of Responsibility to be signed by the importer.
Field E	Product information:
	expiration
	 date of production (Year/Month/Day)
	 code and description of the Product (as per Annex I),
	brand
	type of packaging,
	 Manufacturer/exporter
	country of origin,
	 commercial perspective (if the product is to be sold in one specific city, state, or national territory)

Note: It is common practice in Brazil to retain the services of specialized firms for registration of products with the Ministry of Agriculture and Ministry of Health.

The major laws and regulations that provide ANVISA's regulatory authority for domestic and imported processed food products, including authorization for sale and registration of food products and risk analysis include: Decree no 986 of October 21, 1969; Law no 9782 of January 26, 1999; Decree no 3029 of April 16, 1999; Provisional Executive Act no 1912-5 of June 30, 1999; Resolution no 222 of December 28, 2006; Resolution no 22 of March 15, 2000; Resolution no 23 of March 15, 2000; Resolution no 278 of September 22, 2005, Resolution no 17 of April 30, 1999; Resolution no 16 of April 30, 1999. Brazilian federal

regulations related to ANVISA can be found at http://www.anvisa.gov.br/ or at the Brazilian Federal Register web page http://www.in.gov.br/.

Ministry of Environment (MMA)

Within the Ministry of the Environment (MMA) the regulatory authority for activities that affect the environment is called Brazilian Institute for the Environment and Natural Resources (IBAMA). IBAMA is one of the key government agencies on approval of agricultural chemicals (pesticides and herbicides), but has joint authority for this function with the Ministry of Health (which is concerned with the toxicology aspects of agricultural chemicals) and the Ministry of Agriculture, Livestock, and Food Supply (which actually provides the registration for pesticides).

IBAMA is concerned with the possible environmental impact of pesticides. In general, it follows recommendations made by international standard setting organizations, such as the CODEX Alimentarius, and works closely with its U.S. counterpart, the U.S. Environmental Protection Agency (EPA).

IBAMA is also the Brazilian regulatory agency that enforces the treaties established at the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITIES). It is the agency responsible for monitoring and enforcing activities related to Brazilian fauna and flora. There are two regulatory rules related to these subjects in Brazil: Normative Instruction 3, dated May 27, 2003, which regulates and lists all Brazilian endangered animal species, and Directive Number 37, dated April 3, 1992, which regulates and lists all endangered plant species. (The lists can be found at http://www.mma.gov.br/port/sbf/fauna/index.cfm).

Ministry of Development, Industry and Foreign Trade (MDIC)

All food products imported or exported by Brazil must be registered at the Secretariat of Foreign Trade (SECEX) of the Ministry of Development, Industry, and Foreign Trade (MDIC). This office monitors all import and export tariffs and issues import and export licenses. In addition, SECEX is the government agency responsible for judging antidumping cases against foreign products.

Since January 1997, SECEX, the Secretariat of Federal Revenue (SRF) of the Ministry of Finance (MF), and the Brazilian Central Bank (BCB) have been responsible for import related activities such as licensing, customs clearance and exchange monitoring though the Integrated Foreign Trade System (SISCOMEX), an administrative software program with graphic interface for completing computer-based import documentation requirements. Since this system has been implemented, import and export procedures have become more transparent. The system enables the government to better control tax payments.

Only Brazilian or multinational companies registered with the Importers and Exporters Registry Office of SECEX are allowed to import. Registrations completed prior to 1997 have been entered into the SISCOMEX. New registrants are automatically added to the system upon the first import transaction. It is necessary to be registered at the SRF in order to obtain a user password to access the SISCOMEX.

Also under the MDIC is the National Institute of Metrology, Standardization, and Industrial Quality (INMETRO), which is the Brazilian agency or "inquiry point" to handle comments regarding notifications on Technical Barriers to Trade to the World Trade Organization (WTO/TBT).

INMETRO also conducts tests of domestic and imported products (industrial or food products) to check that they meet the specifications of their labels and the safety of packaging materials. Information on INMETRO can be found on their home page (http://www.inmetro.gov.br/), and other MDIC legislation and procedures can be found at http://www.mdic.gov.br/) or on the Diario Oficial's website (http://www.in.gov.br/).

Ministry of Justice (MJ)

The Department of Consumer Protection and Defense (DPDC) within the Ministry of Justice is the federal agency responsible for enforcing the Brazilian Consumer Code (CDC), published as Law n° 8078 in 1990 (www.mj.gov.br/DPDC/servicos/legislacao.htm) The code regulates consumer claims against adulterated food products, incorrect or misleading labels, and fraud. Each state in Brazil has an office of the Department of Consumer Protection and Defense that assists consumers directly in pursuing their rights. The major regulations that provide the Ministry of Justice regulatory authority over domestic and imported food products, mostly in the area of food labeling and consumer rights, are Law n° 8078 of September 11, 1990 and Decree n° 4680 of April 24, 2003.

For additional information on the Ministry of Justice's consumer department, please check the Ministry of Justice's home page (www.mj.gov.br). Other Brazilian federal regulations regarding the Ministry of Justice can be found in the home page of the Diario Oficial (http://www.in.gov.br).

SECTION II. LABELING REQUIREMENTS

The Brazilian Consumer Protection Law n 8078 of September 11, 1990, requires that all domestic and imported foods and beverages must provide the consumer with correct, precise, clear and easily readable information about the product in Portuguese. According to the Consumer Protection Law, the Brazilian importer is held liable in case of health risk to the consumer of an imported product. The expiration date, validity, or shelf life date is very important for Brazilian consumers and should never be overlooked. The information required on food products will follow the ruling of the respective regulating agency.

- Products under ANVISA follow Resolution n° 259 of September 20, 2002.
- Products under MAPA follow Regulation Act n° 22 of November 24, 2005.

MAPA requires that, in addition to the registration of the foreign processing plant, the Brazilian importer must also file a request for the pre-registration of the foreign labels of processed meat, dairy, and seafood products. Only those products that have their labels pre-approved by DIPOA are allowed to enter Brazil. For additional information, U.S. exporters should contact the Office of Agricultural Affairs (OAA) in Brasilia.

On December 23, 2003, the Brazilian Ministry of Health's ANVISA published Resolutions n° 359 and n° 360, establishing new nutritional labeling requirements for all packaged foods and beverages, including products under MAPA's responsibility. These nutritional labeling requirements are similar to those in force in the U.S. Brazilian companies have been required to comply with this regulation since July 31, 2006; these rules also apply to imported packaged foods and beverages.

SECTION III. PACKAGING AND CONTAINER REQUIREMENTS

The Brazilian Association of Technical Norms (ABNT) is the only normative forum in Brazil responsible for elaboration of technical rules (standards and specifications) for the packaging and container industries. ABNT is also a founding member of the International Organization for Standardization (ISO), the Mercosul Standardization Association (AMN), and the Pan American Commission for Technical Ruling (COPANT).

ABNT conducts the certification for consumer packaging (paper and carton boxes, plastic bags, steel sheet, aluminum cans, tetrapak, PET bottles, etc). ABNT also regulates the recycling of packaging and containers for food products. All manufacturers or importers shall be responsible for the recycling, disposal and removal of packages or containers that are likely to cause serious pollution to the environment after consumption or use. ABNT follows the international Resin Identification Code (numbering from 1 to 7) of the Society of Plastics Industry and the Standard Recycling Symbol.

For detailed regulatory information about packaging and containers, as well as links to the main associations of packaging and containers, access the ABNT home page at: http://www.abnt.org.br/.

The government's regulatory agency involved with the quality and safety of packaging and containers for handling food is the National Institute of Metrology, Standardization, and Industrial Quality (INMETRO), linked to the Ministry of Development, Industry, and Foreign Trade (MDIC). For additional information, access INMETRO's home page at http://www.inmetro.gov.br/.

The government regulatory agency involved with the toxicological aspects of packaging and containers for handling food is the National Agency of Sanitary Surveillance (ANVISA), under the Ministry of Health (MS). For additional information access ANVISA's home page at http://www.anvisa.gov/.

SECTION IV. FOOD ADDITIVE REGULATIONS

In general, ANVISA's requirements are often similar to FDA regulations for food additives. For a complete list of approved food and coloring additives, U.S. exporters should contact ANVISA directly or a consulting firm in Brazil which specializes in this area. Brazilian legislation divides food products into categories and sub-categories. For each category, allowed additives are listed. The major regulatory framework for domestic and imported additives is: Decree n° 55871 of March 26, 1965; Resolution n° 386 of August 5, 1999; Resolution n° 234 of August 19, 2002; Resolution n° 43 of March 1, 2005; Law n° 10603 of December 17, 2002; Law n° 9974 of June 6, 2000; Decree n° 4074 of January 4, 2002; Decree n° 50040 of January 24, 1961; Resolution n° 234 of August 19, 2002; and Resolution n° 169 of June 10, 2002. Brazilian federal regulations related to the Ministry of Health's ANVISA can be found on their home page at http://www.in.gov.br/). For additional guidance, please contact ATO Sao Paulo.

SECTION V. PESTICIDES AND OTHER CONTAMINANTS

In general, Brazil follows the international standards (Codex Alimentarius) for tolerances for pesticides, herbicides, and fungicides used in fumigation of agricultural products. These

tolerance levels apply to all chemically treated products, produced in Brazil or imported, intended for human or animal consumption.

Regulatory authority for the registration of agricultural chemicals in Brazil is held by a three party committee (Agriculture, Health, and Environment) of the federal government. The Ministry of Agriculture, Livestock and Food Supply (MAPA) is the initial contact point for the petition for registration. MAPA will then forward the petition to the Ministry of the Environment, which will assess the possible environmental impact of that specific chemical. The petition is then sent to the Ministry of Health to assess the toxicology aspects of the product. Finally, the petition is returned to MAPA for final approval and registration. U.S. exporters can obtain a list of approved pesticides by writing to DFIP.

The major laws and regulations that provide the regulatory framework for domestic and imported pesticides and other contaminants include: Resolution n° 175 of July 8, 2003; Resolution n° 274 of October 15, 2002; Decree n° 4074 of January 4, 2002; Law n° 9974 of June 2000; Directive n° 685 of August 27, 1998 and Law n° 7802 of July 11, 1989.

SECTION VI. OTHER REGULATIONS AND REQUIREMENTS

Inspection Requirements for Meat, Dairy, and Seafood Products

Brazilian regulations require U.S. companies exporting products of animal origin to Brazil to have their products (beef, pork, powdered milk, whey, lactose, cheese, and seafood) processed in plants in the United States that are federally inspected. Brazilian inspection officials will not register U.S. plants on the basis of state inspection or admit products from uninspected facilities.

The only U.S. federal agencies approved by the Brazilian Government to certify U.S. processing plants are: the Food Safety and Inspection Service (FSIS/USDA) for meat and poultry, and the Agricultural Marketing Services (AMS/USDA) or the Food and Drug Administration (FDA) for dairy. The U.S. dairy product exporter must have the processing plant included in AMS's list of U.S. Dairy Plants Surveyed and Approved by the USDA Grading Service or have the Central File Number under FDA. The same procedure applies for exports of U.S. seafood. The U.S. plant must be inspected by either NOAA/NMFS or FDA before exporting to Brazil, and must be included on DIPOA's list. The request for registration of the U.S. plant with DIPOA must be made through the FAS office in the U.S. Embassy in Brasilia. The U.S. exporter must provide the FAS office in Brasilia, by fax, the following information:

- (1) Full name and address of the plant(s), including telephone, fax, and contact person;
- (2) Plant registration number with the Food Safety Inspection Service (FSIS/USDA) for meat products (beef and pork only). The plant registration number with the Agricultural Marketing Service (AMS/USDA) or the central file number from the Food and Drug Administration (FDA) for dairy products. And, the central file number from FDA or plant registration number with NOAA/NMFS for seafood products;
- (3) Description of the product to be exported to Brazil: fresh/frozen beef, beef products, beef, pork, pork products, prepared foods, milk and milk products (cheese, whey, butter, butter oil, lactose), and seafood products (in this case provide the scientific name of the fish in Latin and how the product will be shipped to Brazil).

Note: DIPOA officials do not register U.S. poultry plants for export of poultry products to Brazil.

Inspection Requirements for Plant Products

All unprocessed U.S. products of plant origin (bulk grains, fresh fruits and vegetables, nuts, and seeds) can only be exported to Brazil if accompanied by an APHIS/PPQ phytosanitary certificate. Frozen fruits and vegetables do not need a phytosanitary certificate. U.S. exporters should always check the nearest PPQ office or the APHIS home page to view the latest import requirements and to see if there is a need to conduct a Pest Risk Assessment (PRA) of the product before exporting to Brazil.

Pest Risk Assessments

On March 27, 2002, the Brazilian Government published Regulation Act n° 34, which requires Pest Risk Assessments (PRAs) for each species from every country of origin. Given this and other changes occurring in this area, U.S. exporters should check with APHIS/Brasilia for additional information on the status of Brazilian phytosanitary import requirements.

Regulation Act n° 59 of November 21, 2002, establishes the procedures for submitting PRAs to the Brazilian Government. It clarifies the pest risk analysis methodology to be followed, and specifies that "documentation be submitted in Portuguese, and be reviewed by USDA/APHIS/PPQ.

U.S. exporters need to be aware that PRAs will need to be done on third-country origin plant products that are re-exported from the U.S. to Brazil, with information provided by the country of origin. Regulation Act n° 60 of November 21, 2002, allows for the importation of plant products traditionally imported by Brazil while the PRA is under review by MAPA/DSV.

Questions about specific Brazilian import requirements can also be directed to APHIS/PPQ at the following address:

Export Certification Unit Plant Protection and Quarantine (PPQ) Animal and Plant Health Inspection Service (APHIS) US Department of Agriculture 4700 River Road Unit 139 Riverdale, MD 20737-1236 Tel: (301) 734-8537

Fax: (301) 734-5337

Inspection Requirements for Animal Genetics

The Department of Animal Health (DDA), Ministry of Agriculture, Livestock and Food Supply (MAPA) is responsible for issuing animal health requirements for imports of live animals, semen and embryos. In addition, the Department of Surveillance of Livestock Inputs (DFIP) is responsible for establishing genetic requirements for animal semen and embryos and for the genealogical registration of live animals.

Before exporting live animals, semen or embryos to Brazil, the U.S. exporter should contact APHIS/VS at the following address:

National Center for Import and Export (NCIE) Animal and Plant Health Inspection Service (APHIS) US Department of Agriculture 4700 River Road Unit 39 Riverdale, MD 20737-1231 Tel.: (301) 734-7511 Fax: (301) 734-6402

Inspection Requirements for Animal Feed

U.S. exporters of animal feed and fodder, including pet food, must be registered with the Department of Surveillance of Agricultural Inputs (DFIA). The U.S. exporter of animal feed should first establish a legal representative or importer in Brazil who will file the request for registration of the imported product with DFIA/MAPA. The importer must also be registered with MAPA before submitting a request for registration. A comprehensive questionnaire must be filled out, including label information.

Veterinary Biologics

The importation of veterinary biologics, such as vaccines, antiserums, and diagnostic test kits, are subject to prior registration with the Department of Surveillance of Livestock Inputs (DFIP), Ministry of Agriculture, Livestock, and Food Supply (MAPA). DFIP does not register growth promotants (hormones) for beef cattle, but does for dairy cattle.

The U.S. exporter of veterinary biologics should first obtain an importer or a legal representative in Brazil who will file the request for registration of the imported product with DFIP/MAPA. The importer must also be registered with MAPA before submitting the request for registration. A comprehensive questionnaire must be filled out, including label information.

Alcoholic and Other Beverages

The Department of Surveillance of Agricultural Inputs (DFIA), Ministry of Agriculture, Livestock, and Food Supply (MAPA) has the regulatory authority to enforce federal laws regarding the registration and labeling of beer, distilled spirits, wine, soft drinks, and juices. In this respect, its regulatory responsibilities are similar to those ascribed in the United States to the Department of Treasury's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), except that DFIA provides a broader spectrum of services, including laboratory tests. The major regulation for alcoholic and beverage products, both domestic and imported, are Decree n° 2314 of September 4, 1997 and Decree n° 4851 of October 2, 2003.

SECTION VII. OTHER SPECIFIC STANDARDS

Supplemental, Dietary, and Functional Foods

The import of infant formula, dietary, and supplemental foods is under the responsibility of ANVISA. It follows the same procedures as those for registration of processed foods, including the payment of a registration fee for the registration of the company as well as the product (see Ministry of Health section above).

The major regulations that provide the regulatory framework for domestic and imported functional and other specialty foods under the Ministry of Health's ANVISA include: Administrative Rule n° 38, January 13, 1998; Administrative Rule n° 27, January 13, 1998; Administrative Rule n° 29, January 13, 1998; Administrative Rule n° 30, January 13, 1998; Administrative Rule n° 222, March 24, 1998; Resolution n° 449, September 9, 1999 and Resolution n° 18 and n° 19, April 30, 1999.

Organic Foods

The rapid growth of organic farming in Brazil has prompted the Brazilian government to regulate the sector. On May 17, 1999, the Minister of Agriculture, Livestock and Food Supply (MAPA) published in the Diario Oficial Regulation Act n° 7, which contains the standards for production, classification, processing, packaging, importation, distribution, identification, and certification of the quality of organic products, of both animal and plant origin.

To use the term "organic product", both domestic and imported organic products must be labeled with the name and registration number of the certifying organization. For bulk products, a "certificate of organic quality" must accompany the shipment. MAPA's Office of Agricultural Protection (SDA) has the authority regarding import approval of organic products.

The legal framework for organic foods in Brazil may be found under MAPA: Regulation Act n° 7, May 17, 1999; Regulation Act n° 16, June 11, 2004 and Law n° 10831, December 23, 2003.

SECTION VIII. COPYRIGHT AND/OR TRADEMARK LAWS

The National Institute of Industrial Property (INPI) is a federal agency created in 1970 and is linked to the Ministry of Development, Industry and Foreign Trade (MDIC). It is responsible for protecting patents, trademarks, and copyrights. INPI is currently regulated by Law 9,279/96 (Industrial Property Law). Registration of a trademark in Brazil may be obtained by filing an application letter to INPI. Once registered, the validity of the registration is for 20 years.

According to trade specialists, despite recent improvements, Brazil continues to fall short in providing adequate and effective protection of Intellectual Property Rights (IPR). Although Brazil is one of the largest markets globally for legitimate copyrighted products, it is also one of the world's largest markets for pirated products. For general information on legislation, regulations, application for copyrights, patents, and trademarks, please access the INPI home page at http://www.inpi.gov.br/.

SECTION IX. IMPORT PROCEDURES

The import process in Brazil can be divided into 3 phases:

- Administrative: regulates all import actions and its bureaucracy. It comprises procedures established by the Secretariat of Foreign Trade (SECEX) and any other government department in charge of releasing import authorization or goods clearance. The main Brazilian Government offices involved in the import of food and beverage products are: the Ministry of Agriculture, Livestock and Food Supply (MAPA) and the Ministry of Health (MS) through ANVISA.
- Currency operations: comprise monetary transfers to other countries, which are controlled by the Brazilian Central Bank (BACEN) and processed through private banks under BACEN authorization.
- Fiscal: taxes and tariff payments are controlled by the Secretariat of Federal Revenue (SRF)

In order to start the import process, the local company must request a permit on the online registration system. Once the company receives the permit, eligibility to import is granted. After that, a series of actions will take place, which are the importer's responsibility.

Registration

The registration of imported foods and their production sites must be accomplished prior to shipment. For products of animal origin under MAPA's surveillance, the processing plant must be registered and approved by the Brazilian government. Brazilian importers must also pre-register the labels of processed meats, dairy and seafood products.

ANVISA is also responsible for registration of a great variety of processed food products. Before placing a food product in the market, importers must obtain a registration number, which should be placed on the product label. Questions about specific Brazilian registration requirements can also be directed to ATO Sao Paulo.

Classification

The international methodology of goods classification, based on an arrangement of codes and descriptions is called the Harmonized Commodity Description and Coding System or simply the Harmonized System (HS). The code composition of the HS, formed by six digits, allows product specifications to be attended, such as: origin, constitution and application, in a logical ascending numeric order, according to its level of complexity.

Brazil, Argentina, Paraguay and Uruguay have adopted the Mercosul Common Nomenclature (NCM), which has the HS as its base. Therefore, out of the eight digits that form the NCM, the HS forms the first six digits, while the seventh and the eighth digits correspond to specifications endorsed in the Mercosul sphere. Through the NCM, it is possible to define the amount of taxes to be payed is and which government office will release import authorization. Each product classified under an NCM code requires an import license; therefore invoices containing products with different classifications will need separate import licenses.

Administrative Process

A *Pro forma* invoice should be sent to the Brazilian exporter. This document starts up the entire process. Therefore it is extremely important that exporters fill out this document properly, otherwise the Brazilian importer will not be able to file the application. The importer requests an import permit, also called Import License (LI), which is obtained before shipment or during the clearance process. All food and beverage products are subject to MAPA's and MS's prior approval.

Shipping

Along with the shipment, the exporter must send the documentation that will allow the importer to release goods from Brazilian customs. The documentation required includes: shipping information (bill of lading or AWB), commercial invoice (including details of agreed payment method), certificate of origin (for products falling under international agreements) and phytosanitary or lab certificate (when required by Brazilian law).

Payment

Overseas payment may be made in advance, either by collection or by letter of credit (cash or installments). A foreign exchange contract, according to the standards and regulations

established by the Brazilian Central Bank, formalizes the buying and selling of foreign currency between the importer and an authorized exchange establishment. The exchange transactions may be made for immediate or delayed payment. The time between signing the contract and payment of the transactions must not exceed 360 days.

Clearance

The clearance process begins when goods arrive in Brazil. The importer, or a contracted customs broker officially representing the importer, will prepare the Import Declaration (DI). The necessary documentation to fill out the DI is: commercial invoice, shipping information and the LI. In addition, to register the DI, the importer needs to pay Import Tax (II) and Tax on Manufacture (IPI). Other documents may be required due to special characteristics of the product and/or transaction.

Clearance from customs consists of a series of acts carried out by a customs official who will authorize the release of the goods to the importer after the verification of merchandise, compliance with tax laws and importer's identity. The SRF will release an Import Warrant (CI) via SISCOMEX to confirm customs clearance. The system will then automatically select the method of clearance to be applied. They are:

- green: customs clearance authorization is automatically issued.
- yellow: mandatory inspection of documentation is required and, if no evidence of irregularities is found, customs clearance authorization is issued.
- red: mandatory inspection of documentation and of merchandise is required before customs clearance authorization is issued.
- grey: mandatory inspection of documents, merchandise, and taxable basis of Import Tax is required before customs clearance authorization is issued. Customs clearance authorization can be arranged before conclusion of the inspection of customs value, by using a guarantee issued by the importer.

Except for the green option, all documents with the receipt of the Import Declaration printed by SISCOMEX and proof of payment on waiver of the Interstate Movement Tax on Sales and Services (ICMS) should be presented by the importer to the Federal Revenue Office where the goods are located in order to conclude customs clearance. For goods assigned the gray option, a Declaration of Customs Value (DVA) must be made and transmitted via SISCOMEX to explain the commercial aspects of the transaction and to provide additional information to justify the value. Any corrections to the information presented in the DI, changes in the calculation and additional tax or fines required by law, will be carried out in accordance with SISCOMEX procedures.

Since 1990, Brazil has eliminated a number of non-tariff barriers to imports, and lowered most import duties on commodities and foods. Import duties vary from 8 to 14 percent for most bulk agricultural products and 14 to 23 percent on highly processed food products. Today, Brazil, together with its MERCOSUL partners (Argentina, Uruguay, and Paraguay), applies the MERCOSUL Common External Tariff (CXT). Mercosul members enjoy duty-free entry to Brazil, while Chile and Bolivia, as associate members of MERCOSUL, benefit from preferential import tariffs.

APPENDIX I. GOVERNMENT REGULATORY AGENCY CONTACTS

Secretariat of Agricultural Protection (SDA) Ministry of Agriculture, Livestock, and Food Supply (MAPA)

Esplanada dos Ministerios, Bloco D

Anexo B, 4 Andar, Sala 426 70043-900 Brasilia, DF

Phone: (55-61) 3218-2314/15

Home page: http://www.agricultura.gov.br/

Secretariat of International Relations of the

Agribusiness (SRI)

Ministry of Agriculture, Livestock and

and Food Supply (MAPA)

Esplanada dos Ministerios, Bloco D, 3 Andar

Sala 304

70043-900 Brasilia, DF

Phone: (55-61) 3218-2510/2468

Home page: http://www.agricultura.gov.br/

Agency of Sanitary Surveillance (ANVISA)

Ministry of Health

Esplanada dos Ministerios, Bloco B, Ed.Omega

70770-502 Brasilia, DF Phone: (55-61) 3448-6352

Home page: http://www.anvisa.gov.br/

Ministry of Development, Industry and

Foreign Trade (MDIC)

Esplanada dos Ministerios, Bloco J

70053-900 Brasilia, DF Phone: (55-61) 3425-7000

Home page: http://www.mdic.gov.br/

Brazilian Environment Institute (IBAMA)

SCEN, Trecho 2, Ed. Sede 70818-900 Brasilia, DF Phone: (55-61) 3216-1212

Home page: http://www.ibama.gov.br/

Ministry of Science & Technology (MCT)

Esplanada dos Ministerios, Bloco E

70067-900 Brasilia, DF Phone: (55-61) 3317-7500

Home page: http://www.mct.gov.br/

Ministry of Justice

Esplanada dos Ministerios, Bloco T

70064-900 Brasilia, DF Phone: (55-61) 3429-3000

Home page: http://www.mj.gov.br/

Brazilian Customs (Receita Federal)

Ministry of Finance

Esplanada dos Ministerios, Bloco P

70048-900 Brasilia, DF

Phone: (55-61) 3412-3000/2000

Home page: http://www.fazenda.gov.br/

APPENDIX II. OTHER IMPORT SPECIALIST CONTACTS

Brazilian Food Ingredients and Additives Association (ABIAM)

Rua Hungria, 664, cj.51 01455-000 Sao Paulo, SP Phone: (55-11) 3034-3541 Fax: (55-11) 3816-2928 E-mail: abiam@abiam.com.br

Brazilian Food Processors' Association (ABIA)

Av. Brigadeiro Faria Lima, 11 andar

01451-001 Sao Paulo, SP Phone: (55-11) 3030-1353 Fax: (55-11) 3814-6688 E-mail: abia@abia.org.br

Brazilian Food Exporters and Importers Association (ABBA)

Rua Machado Bitencourt, 190, cj. 609

04044-000 Sao Paulo, SP

Phone/Fax: (55-11) 5087-9546/5571-7290

E-mail: abba@aabba.org.br

Aduaneiras

Rua da Consolacao, 77 01301-000 Sao Paulo, SP Phone: (55-11) 3120-3030 Fax: (55-11) 3159-5044

E-mail: aduaneiras@aduaneiras.com.br

FoodStaff

Contact: Eliane Miyazaki Av. Irai, 438, 10° andar 04082-001 Sao Paulo, SP Tel: (55-11) 5095-9555 Fax: (55-11) 5543-7678

E-mail: eliane.miyazaki@foodstaff.com.br

Please do not hesitate to contact the offices below with questions or comments regarding this report or to request assistance.

U.S. Agricultural Trade Office (ATO)

U.S. Consulate General Rua Henri Dunant, 700 04709-110 Sao Paulo, SP Phone: (55-11) 5186-7400 Fax: (55-11) 5186-7499

E-mail: atosaopaulo@usda.gov

Home page: http://www.fas.usda.gov/

Office of Agricultural Affairs (OAA)

U.S. Embassy

Av. das Nacoes, quadra 801, lote 3

70403-900 Brasilia, DF Phone: (55-61) 3312-7101 Fax: (55-61) 3312-7659 E-mail: agbrasilia@usda.gov